

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent Committee for a Quality Education (the “Committee”) was formed on July 26, 1999, as a primarily formed committee to support the passage of a special bond measure for the William S. Hart School District on the June 2000 ballot. The William S. Hart School District sponsored Respondent Committee. At all times relevant to this matter, Respondent Del H. Guyer was the treasurer of Respondent Committee.

Under the Political Reform Act (the “Act”),<sup>1</sup> Respondents were required to file semi-annual campaign statements on behalf of Respondent Committee in 2000. During the first semi-annual reporting period of January 1, 2000 through June 30, 2000, Respondent Committee received contributions totaling \$117,886.34, and made expenditures totaling \$116,625.96. Respondents filed a campaign statement on behalf of Respondent Committee for the first semi-annual reporting period of 2000 on August 3, 2000, but did not include the names, occupations, employers, and addresses of contributors of \$100 or more, as required by the Act.

For the purposes of this Stipulation, Respondents’ violation of the Act is stated as follows:

Respondents Committee for a Quality Education and Del H. Guyer failed to disclose on a semi-annual campaign statement that was filed on August 3, 2000, for the reporting period January 1, 2000 through June 30, 2000, name, address, occupation and employer information for contributors of \$100 or more, in violation of section 84211, subdivision (f)(1)-(4).

### **SUMMARY OF THE LAW**

An express purpose of the Act, as set forth in section 81002, subdivision (a), is to ensure that all contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters may be better informed, and so that improper practices may be inhibited. The Act therefore establishes a campaign reporting system designed to accomplish this purpose of disclosure.

#### **Duty to File Semi-Annual Campaign Statements**

Section 84200, subdivision (a) requires recipient committees to file two semi-annual campaign statements each year. The first semi-annual campaign statement covers the reporting period January 1

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<sup>1</sup> The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations, section 18000, *et seq.* All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

to June 30, and must be filed by July 31. The second semi-annual campaign statement covers the reporting period July 1 to December 31, and must be filed by January 31 of the following year.

Section 84211, subdivision (f) prescribes the required contents of campaign statements. Under subdivision (f)(1)-(4) of that section, if the cumulative amount of contributions that a committee has received from a person is \$100 or more, and the Committee receives a contribution from that person during a reporting period, the Committee must disclose on the campaign statement for that reporting period the full name of the contributor, his or her street address, his or her occupation, and his or her employer.

### **Treasurer Liability**

Section 81004, subdivision (b), Section 84100, and Regulation 18427, subdivision (a), require a committee's treasurer to ensure that the committee complies with the requirements of the Act concerning the receipt and expenditure of funds, and the reporting of such funds. Pursuant to Sections 83116.5 and 91006, a committee's treasurer may be held jointly and severally liable, along with the committee, for any reporting violations committed by the committee.

### **SUMMARY OF THE FACTS**

During the first semi-annual reporting period of January 1, 2000 through June 30, 2000, Respondent Committee for a Quality Education received contributions totaling \$117,886.34 and made expenditures totaling \$116,625.96. Respondents filed a campaign statement on behalf of Respondent Committee for this semi-annual reporting period on August 3, 2000. However, Respondents failed to include on this campaign statement the name, street address, occupation, and the employer of all 73 contributors who had made cumulative contributions of \$100 or more.

By failing to include the name, street address, occupation, and employer information for contributors on the first semi-annual campaign statement for 2000, Respondents violated § 84211, subdivisions (f)(1)-(4).

In March 2001, Political Reform Consultant Linda Moureaux of the Enforcement Division of the Fair Political Practices Commission contacted Respondent Guyer about Respondents failure to include required contributor information on the semi-annual campaign statement that they filed on August 3, 2000. Respondent Guyer promised Ms. Moureaux that he would file an amended semi-annual campaign statement by the end of March 2001 including the missing information. Respondent Guyer failed to file the amended statement as promised.

In October 2002, Respondent Guyer was contacted by an Enforcement Division Attorney regarding Respondents failure to file an amended semi-annual statement that includes the missing contributor information. Respondent Guyer stated to the attorney on two separate occasions that he would file an amended semi-annual statement for the period. Respondents still failed to file the amended

statement, until being required to do so as part of this stipulated settlement.

### **CONCLUSION**

This matter consists of one count, which carries a maximum possible administrative penalty of Two Thousand Dollars (\$2,000).

The typical stipulated administrative penalty for failing to disclose the address, occupation and employer information for contributors on a campaign statement has historically ranged from \$1,000 to \$2,000 per statement. As this violation is aggravated, imposition of a maximum administrative penalty is appropriate.

The facts of this case therefore justify imposition of the agreed upon penalty of Two Thousand Dollars.